Uniform VRS for PSU Employees

*334. SHRI RAMDAS AGARWAL : Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state :

(a) whether Government have approved a uniform Voluntary Retirement Scheme (VRS) for all the employees of the Central Public Sector Undertakings as reported in the Hindustan Times, dated 17th March, 2000;

(b) if so, what are the details thereof indicating how and from where funds would come for the VCR pay-off;

(c) Whether the Central Trade Unions have opposed the VRS for ailing PSUs by pointing out that Government had not taken them into confidence;

(d) if so, what are the reasons therefor; and

(e) which PSUs are being offered VRS during 2000-2001?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI) :(a) and (b) Government have decided to modify the existing Voluntary Retirement Scheme (VRS) which is applicable to the employees of Central Public Sector Undertakings (CPSUs). Under the existing scheme compensation is permitted on a scale of 45 days salary for each completed year of service subject to the quantum not exceeding the salary which the employee is to draw for the balance of service left. An employee should have put in a minimum of 10 years of service or attained the age of 40 years.

Under the modified scheme, enterprises, which are financially sound and capable of funding scheme on their own resources, may implement therein own variants of the existing VRS. The compensation, however, will not exceed 60 days salary for each completed year of service or the salary for the number of months' service left before superannuation whichever is less.

Enterprises that are marginally profit making or incurring losses are to adopt a revised and improved pattern of VRS modelled on a scheme introduced in Gujarat. Under this arrangement 35 days salary will be offered for each completed year of service and 25 days of salary for each year of service left until superannuation. The compensation will not however, exceed the total salary of the employees for the balance of service left.

In the case of units facing closure, a Scheme of Voluntary Separation (VSS) had already been introduced as a safety net to the workers offering them higher compensation relief than statutory retrenchment compensation. VSS will now be modelled on the modified VRS in para 3 above. Budgetary support is visualised in case bank credit or other means are not available for funding the VRS.

(c) and (d) The scheme of VRS/VSS now proposed improves upon the existing arrangement having due regard to the views expressed.

(e) The details are being collected and will be laid on the Table of the House.

Privatisation of Salem Steel Plant

*335. SHRI V.P. DURAISAMY : Will the MINISTER OF STEEL be pleased to state :

(a) whether it is a fact that Government have decided to privatise Salem Steel Plant;

(b) whether it could not be revived by waiving interest amount; and

(c) whether aspirations and interests of the workers and the people of Tamil Nadu have been taken into account while deciding to privatise it?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI DILIP RAY) : (a) and (c) The financial and business restructuring package for Steel Authority of India Limited (SAIL) that has been approved by the Government includes, inter alia, conversion of Salem Steel Plant (SSP) into a joint venture, while protecting the jobs of existing employees.

(b) SSP has incurred a loss of Rs. 180 crores during 1998-99 and Rs. 122 crores during April—December, 1999. The interest burden was Rs. 123 crores during 1998-99 and Rs. 80 crores during April—December, 1999. As such even without consideration of interest, SSP has been incurring losses. Waiver of interest amount alone will not lead to revival of Salem Steel Plant.

Unemployment Problem in Urban Areas

*336. DR. M.N. DAS : Will the MINISTER OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state :

(a) whether Government are aware of the ever-growing problem of unemployment among the educated youth in urban areas;

(b) if so, whether Government propose to create job opportunities for the educated unemployed; and

(c) if so, what kind of employment prospects are being thought of ?